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IN THE

Supreme Court of the United States

LEMELSON MEDICAL, EDUCATION & RESEARCH FOUNDATION, LIMITED PARTNERSHIP
Petitioner,

v.

SYMBOL TECHNOLOGIES, *et al.*,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

REPLY BRIEF FOR PETITIONER

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REPLY BRIEF FOR PETITIONER

I. Section 120 of the Patent Act specifies that applicants filing continuation applications in accordance with its terms are entitled to the filing date of an earlier application so long as they filed the later application "before the patenting or abandonment of or termination of proceedings on" the prior application. 35 U.S.C. §120. In our petition we noted that this statutory right reflects a basic patent law principle: that simultaneously pending applications are regarded as part of a single application bearing the date of the original. Pet. 9; *see Godfrey v. Eames*, 68 U.S. (1 Wall.) 317 (1864). We further noted that, for several decades, the Federal Circuit and the Court of Customs and Patent Appeals have held that the requirements of the Act are exclusive and that applicants meeting them are not to be denied their rights on the basis of nonstatutory doctrines like laches. *See* [illegible]3 (listing cases). Indeed, the Federal Circuit has tw[illegible]plicitly held

that delays in prosecuting a patent are not grounds for declaring the patent unenforceable. *See Ricoh Co. v. Nashua Corp.*, 1999 WL 88969 (Fed. Cir. 1999) (unpublished); *Bott v. Four Star Corp.*, 1988 WL 54107 (Fed. Cir. 1988) (unpublished). Its sudden contrary decision in this case, therefore, truly "disrupt[s] the settled expectations of the inventing community." *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 122 S. Ct. 1831, 1841 (2002).

Respondents' defense of the Federal Circuit decision rests upon what is essentially a single point: that a 78-year-old decision of this Court, *Webster Electric Co. v. Splitdorf Electrical Co.*, 264 U.S. 463 (1924), trumps both the express terms of the statute and the case law relying on those terms. According to respondents, this Court in *Webster* announced and applied a broad doctrine of "prosecution laches," a doctrine not limited (as many judges and experts had thought) to the copying of claims from the patent of another inventor. Br. in Opp. 13. Then, the argument goes, Congress carried forward this laches doctrine, albeit without saying so explicitly, when it passed the 1952 Act, effectively allowing the doctrine to modify the expressly conferred right to file applications at any time before patenting on a prior application. Br. in Opp. 18-21. As a result, despite the numerous decisions by the Federal Circuit and the Court of Customs and Patent Appeals rejecting nonstatutory laches defenses, inventors supposedly have been, or ought to have been, on notice that compliance with the express filing requirements of the statute was not enough. Br. in Opp. 21.

This chain of reasoning is, in our view, wrong on all counts. *See* pages 4-9 *infra*; Pet. 12-25. But, in any event, the issue needs to be resolved once and for all. This Court alone can say definitively whether *Webster* created a broad-based laches doctrine and whether, if so, that doctrine survived enactment of the provisions of Section 120. As Judge Newman noted below, Pet. App. 19a, the turnabout by the Federal Circuit has created a "new source of uncertainty

and variability in continuation practices," one that throws into doubt the legitimacy of important property rights. *See Festo Corp.*, 122 S. Ct. at 1841. The petition for certiorari should be granted.

1. Before turning to the merits, respondents first argue that the Court should deny review because the decision below is interlocutory (Br. in Opp. 9) and because Congress has amended the Patent Act with respect to applications filed after June 8, 1995. (Br. in Opp. 9-10). Neither argument is persuasive.

Respondents suggest no good reason why the interlocutory nature of the case should postpone review. As the Federal Circuit recognized, Pet. App. 4a, the question at issue is purely a legal one: whether "prosecution laches" curtails the time period allowed by the Patent Act for filing patent applications. No factual development is needed to answer that question, and the proceedings on remand will not be of any assistance in resolving it. Indeed, respondents themselves elected to bring an interlocutory appeal on this issue after the district court dismissed their laches defense—evidencing their belief at the time that a prompt decision about the existence or non-existence of the defense was important—and both lower courts agreed that interlocutory review was appropriate. The Federal Circuit having decided to depart from its earlier decisions holding that the express terms of the Patent Act are controlling, inventors now face considerable uncertainty about the validity of issued patents and pending patent applications. *See, e.g.*, Brief of Amici Curiae Wisconsin Alumni Research Foundation, *et al.* at 11-13. The need for timely review is thus even greater.

The recent amendments to the Patent Act likewise do not obviate the need for review. To begin with, the Federal Circuit did not confine its holding to applications under the pre-1995 patent system, thereby raising the prospect of "prosecution laches" challenges whenever a rival or accused

infringer regards the length of proceedings in the Patent and Trademark Office as possible grounds for blocking enforcement of a patent. Moreover, even if the decision had been so limited, it would still open the door to attacks on thousands and thousands of issued patents and still pending patent applications. Drawn-out proceedings before the Patent and Trademark Office have long been a fact of life, *see Abbott Laboratories v. Brennan*, 952 F.2d 1346, 1356 (Fed. Cir. 1991) ("we take notice that delay is ubiquitous in PTO proceedings"), and litigants now can employ this new tool fashioned by the Federal Circuit to argue at length about whether particular patents should have issued more promptly. Before patent holders are forced to bear the costs of this vexatious collateral litigation, they are entitled to know whether the doctrine of "prosecution laches" actually exists.

2. Respondents' discussion of the merits begins (Br. in Opp. 10-14) with an extended, though incomplete (*see* page 5 *infra*), review of the laches doctrine in this Court, which eventually confirms just what we said in the petition: that the Court has applied laches to defeat patent claims in two, and only two, situations: *first*, when an inventor sought to obtain reissuance of an already issued patent in order to add new claims (*see, e.g., Wollensak v. Reiher*, 115 U.S. 96 (1885)); and, *second*, when an inventor sought to add claims that were the same as, or substantially similar to, claims in a patent issued to another inventor (*see Webster*, 264 U.S. at 469). *See* Pet. 15-18. The Court rendered those decisions when the Act said nothing about the time for adding claims in a reissued patent or for copying claims, and Congress later expressly incorporated those laches doctrines into revisions of the Act. *See* 35 U.S.C. §§ 251-52; § 135(b)(1). That is the sum total—insofar as the filing of additional patent claims is concerned—of the laches doctrines recognized by Congress or this Court. Although the Court at times employed language that hinted at the possibility of broader laches doctrines (usually in cases that rejected laches defenses), *see*,

e.g., *Muncie Gear Works, Inc. v. Outboard, Machine & Mfg. Co.*, 315 U.S. 759 (1942); *Crown Cork & Seal Co. v. Ferdinand Gutmann Co.*, 304 U.S. 159, 168 (1938); *General Talking Pictures Corp. v. Western Electric Co.*, 304 U.S. 175 (1938), it never actually adopted any of these doctrines, and none of them became part of the Act.

The case law cited by respondents thus provides no footing for a free-wheeling doctrine of "prosecution laches." [1] What is most striking about their historical review, in fact, is a case that they do not cite: *Muncie Gear Works, Inc.*, *supra*. Many patent experts once regarded the decision in *Muncie Gear* (and not *Webster*, which *Muncie Gear* did not even cite) as a nonstatutory basis for a laches doctrine known as "late claiming," which would deny patent rights to inventors who added later claims, even though the inventors had already disclosed the subject matter of the claims in a prior application. *See generally* 4 *Chisum on Patents* § 11.05[1][e]-11.05[2][d] at 11-266-11-276 (1996). Had that view of *Muncie Gear* stood up, of course, it might well have provided some support for the decision of the Federal Circuit in this case, but it is now well-accepted, including by the Federal Circuit itself, that the doctrine of "late claiming" was illusory. *See Railroad Dynamics, Inc. v. A. Stucki Co.*, 727 F.2d 1506, 1517 (Fed. Cir. 1984). Yet, for all intents and purposes, "prosecution laches" is just "late claiming" by another name. Like its predecessor, it should fall before the controlling terms of the Act.

With respect to *Webster* itself, respondents do not dispute that the challenged claims were essentially the same as claims in a previously issued patent, arguing only that judges and

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[1] Most of the cited cases involved reissue. Apart from *Webster*, the only non-reissue case to invalidate a patent was *Woodbridge v. United States*, 263 U.S. 50 (1923), which is not properly classified as a laches case at all since it ultimately turned on a "plain violation of the statutory law." *Id.* at 63.

patent experts differ on whether the holding of *Webster* is limited to "the interference context." Br. in Opp. 15. That assertion is correct up to a point,[2] although most of the cited experts, like respondents themselves, never squarely address the critical language in that case, which drew an analogy between "the case of a reissue patent and that of copying for interference" (264 U.S. at 469) and then pointedly declared that, "as applied to the present case" (*id.*), the laches principles governing reissue were also "controlling" with respect to copying. 264 U.S. at 469. That language seems to us, and to others as well, Pet. 17, to indicate that the Court was dealing very specifically with the narrow subject of delay in copying claims from another patent—the same subject that Congress then addressed in the enactment that eventually became Section 135(b). *See* Act of August 5, 1939, ch. 452, § 1, 53 Stat. 1213. But, in any event, the difference of opinion regarding the holding in *Webster* is less an argument for denying review than for granting it. If *Webster* is now, after a long period of dormancy, to take the place of *Muncie Gear* as the foundation for a broad doctrine of "prosecution laches," it is this Court, not the Federal Circuit, that should make that important judgment.

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[2] Since passage of the 1952 Patent Act, no appellate court decision has cited *Webster* as the basis for refusing to enforce a patent, with the possible exception of *Pratt & Whitney Co. v. United States*, 345 F.2d 838 (Ct. Cl. 1965), which simply adopted a Trial Commissioner's Report that, in turn, invalidated patent claims on several alternative grounds, including the discredited doctrine of "late claiming." Furthermore, as the Federal Circuit has made clear, the rule against untimely copying of claims from a patent issued to another inventor applies in *ex parte* proceedings as well as in interference proceedings. *See In re McGrew*, 120 F.3d 1236 (Fed. Cir. 1997). The point, therefore, is not that *Webster* (and Section 135(b)) are limited to "the interference context," Br. in Opp. 15, but rather that they operate to restrict the presentation of claims only when the claims are copied from, or substantially similar to, the claims in a previously issued patent. *See* Pet. 8.

3. Like the Federal Circuit, respondents take their time (Br. in Opp. 18-21) before addressing the governing statutory provision, 35 U.S.C. § 120. When they finally do so, their main point appears to be that "prosecution laches" will not interfere with the operation of Section 120 because patent applicants will still be able to get the benefit of an earlier filing date for their applications: all laches will do is make the patents unenforceable. Br. in Opp. 18. This hardly seems to be a sensible way of looking at the statutory scheme since it effectively takes away with one hand what was given with the other. *See generally Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, 63 (1998) (rejecting judicially created standard "with no basis in the text" of relevant statutory provision). Moreover, respondents' strained effort to reconcile the statutory terms with the nonstatutory doctrine of "prosecution laches" neglects critical language in Section 120 itself. That provision specifically states that an application meeting the statutory requirements (including the time requirement of being filed before patenting, etc., on the earlier application) "*shall have the same effect*, as to [the] invention, *as though filed on the date of the prior application* . . . ." 35 U.S.C. § 120 (emphasis added). Quite obviously, a continuation application does not have the "same effect" as a prior application if it is deemed unenforceable precisely because it was filed at a later time.[3]

Respondents also acknowledge (Br. in Opp. 20) that, whereas Congress expressly incorporated judicially recognized laches doctrines into Section 251 and Section 135(b) of

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[3] Respondents correctly note (Br. in Opp. 19) that Section 120 does not express the time limit for filing applications in numerical terms (*e.g.*, 30 days or 1 year), but there is nothing magical about numerical limits as opposed to limits tied to the occurrence of a particular event. A legislature may require that a filing be made "by five o'clock" or, instead, that it be made "before the Post Office closes." Here, the relevant time is before patenting or certain other action on the prior application. *See* 35 U.S.C. § 120.

the Act, it did not expressly incorporate any "prosecution laches" doctrine into Section 120. Rather than taking this silence as evidence that "prosecution laches" was never a recognized doctrine, or that Congress chose not to make any further exceptions to the "one continuous application" principle, respondents simply say that Congress may sometimes "choose to enact statutory rules" (Br. in Opp. 20) and sometimes choose not to. What this truism leaves out, however, is any recognition of the repeated efforts by critics to limit the use of continuation and divisional applications, *see* Pet. 20-22, and, more importantly, the repeated refusal by Congress to impose those limits (*id.*). For decades, critics of the patent system complained that the law allowed inventors to obtain patents long after the filing of their original applications by employing a lengthy chain of continuation and divisional applications. The long-standing congressional resistance to proposals designed to restrict that practice, or to limit its effects, strongly suggests that its omission of additional time limits in Section 120, or anywhere else in the Act, was deliberate.[4]

Respondents also present (Br. in Opp. 21-23) various policy arguments, all revolving around the idea that it is necessary to place retroactive curbs on the practice of obtaining "submarine patents." While respondents seek to embellish this presentation by criticizing the inventive discoveries of Mr. Lemelson, Br. in Opp. 23, their discussion seems to assume that patents are available from the Patent and Trademark Office just for the asking. The critical point, however, is that an inventor who makes claims by means of a continuation or divisional application must demonstrate that

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[4] Congress eventually decided in 1994 to link the term of an issued patent to the date of application, rather than to the date of issuance. *See* 35 U.S.C. § 154(a)(2); *see* page 3 *supra*. It did not make the law retroactive, however, applying it only to applications filed after June 8, 1995. *Id.*

the newly claimed invention is disclosed *in the original application. See* 35 U.S.C. § 120; 35 U.S.C. § 112, ¶ 1. This exacting requirement demands not only that the original disclosure have been sufficient to enable someone skilled in the art to make and use the later-claimed invention, but also that it have described the invention in such terms as to demonstrate that the inventor was "in possession of the invention." *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1564 (Fed. Cir. 1991). Although respondents are silent about it, the Patent and Trademark Office—which, of course, was well aware of the time period between submission of the specifications and submission of the additional claims—determined that Mr. Lemelson had met the statutory requirements for each of his patented inventions. *See generally* 35 U.S.C. § 282 ("[a] patent shall be presumed valid.")

Respondents also contend that they should be able to assume that existing technology "is in the public domain or covered only by known patent claims." Br. in Opp. 21. This contention, however, is really just a quarrel with the way that Congress constructed the patent system. That system not only allows for the filing of continuation and divisional applications with the benefit of earlier filing dates, but it has deliberately provided for secret review of the applications.[5] What this means, and what respondents seem unwilling to accept, is that the emergence of a particular technology in the marketplace does *not* exclude the possibility that a pending, and still confidential, patent application will cover that technology. *See Kingsdown Medical Consultants, Ltd. v. Hollister, Inc.*, 863 F.2d 867, 874 (Fed. Cir. 1988). Respondents' "reliance" argument, therefore, is simply off-base.

II. Respondents' main point with regard to the constitutionality of disregarding unpublished opinions is a

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[5] In 1999 Congress relaxed the secrecy requirement to provide for publication of some patent applications after 18 months. *See* 35 U.S.C. § 122(b).

procedural one: that the Court would not be able to reach the issue "unless it denied review on the first question presented." Br. in Opp. 23. This argument is incorrect. The proper approach, we submit, is for the Court to grant the petition in its entirety, keeping before it both of the possible grounds for reversal. Even if the Court should choose not to reverse the Federal Circuit on both grounds, it might elect to order a reversal on the second ground, making it unnecessary to reach the first ground.[6] There will be time enough at the merits stage to decide what the proper sequence of decision should be.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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[6] If the Court should ultimately decide that the Federal Circuit must treat its unpublished decisions as precedent, it would then be for the Federal Circuit to decide what their precedential effect would be. Respondents' efforts to argue that point now (Br. in Opp. 24) put the cart before the horse.